

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

VALASSIS NSA

Docket No. MC2012-14

Docket No. R2012-8

RESPONSE OF ALBANY TIMES UNION TO NOTICE OF INQUIRY NO. 1

The Albany Times Union is the leading newspaper serving New York's Capital Region.

We submit this declaration in support of NAA's Response to Notice of Inquiry No. 1

The Times Union objects to the proposed Valassis NSA due to the potential harm that it would cause to our newspaper company from lost preprint advertising revenue. We feel that the proposed NSA creates an unfair pricing advantage for Valassis in our competition to be the provider of advertising circulars from national retailers to residents of our community. Any potential lost revenue would cause financial harm to our operation that could potentially adversely impact our journalistic mission.

Response to Questions

1. For fiscal year 2010, we estimate that advertising inserts for durable and semi-durable goods from national retailers represented X% of total advertising revenues (including ROP, classified, and digital advertising), X% of total print advertising revenue, and X% of total preprint advertising revenue.
2. For fiscal year 2011, we estimate that advertising inserts for durable and semi-durable goods from national retailers represented X% of total advertising revenues (including ROP, classified, and digital advertising), X% of total print advertising revenue, and X% of total preprint advertising revenue.
3. In addition to publishing a daily and Sunday newspaper, the Albany Times Union also produces Local Values, a weekly total market coverage product distributed via the USPS to non-subscribers of the newspaper primarily on Thursdays. This product was introduced in 2007 as a way for businesses to reach all potential consumers in their geographic footprint. Local Values contains ad circulars from grocery stores, drug stores, general merchandise stores and other providers of durable and semi-durable goods. These often run as a combination buy with a retailer's circular in the Sunday newspaper, and are

a significant source of revenue for our company. It is this revenue that we feel would be jeopardized if the Valassis NSA is approved.

For fiscal year 2011, we estimate that we mailed X advertising circulars in our Local Values product from national durable and semi-durable goods retailers via the United States Postal Service. We do not keep records on this data by weight.

4. For fiscal year 2010, we estimate that we mailed approximately X TMC advertising mail packages for which we paid the Postal Service approximately \$X.

5. For fiscal year 2011, we estimate that we mailed approximately X TMC advertising mail packages for which we paid the Postal Service approximately \$X.

6. We estimate that the Postal Service will lose up to \$X from our mid-week TMC postage if the Valassis NSA is approved. This lost revenue estimate is based on the impact of losing our national durable goods retailers. These losses, in turn, would necessitate a corresponding reduction to our mailing expense.

I certify, under penalty of perjury, that the foregoing is true and correct. This document was executed as a redacted version of our submission on June 29, 2012.

Thank you for your consideration.

Thomas A. Eason
Display Advertising Manager
Albany Times Union